

Issue Paper Number 08-009



- Board Meeting
- Business Taxes Committee
- Customer Services and Administrative Efficiency Committee
- Legislative Committee
- Property Tax Committee
- Other

Procedures for Property Tax Valuation Factor Studies, and Economic Lives in Assessors' Handbook Section 581

I. Issue

What petition procedures and guidelines should the Board adopt for future property tax valuation factor studies, and should Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*, contain economic lives?

II. Alternative 1 - Staff Recommendation

Staff recommends that:

- (a) The petition procedures (Attachment A) and guidelines (Attachment B) for future property tax valuation factor studies be adopted by the Board; and
- (b) That the economic lives (Attachment C) for various equipment categories be included in future revisions of Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*.

III. Other Alternative(s) Considered

None

IV. Background

Under Government Code section 15606, the Board is charged with the duty of preparing and issuing instructions to county assessors designed to promote uniformity throughout the state in the assessment of property for purposes of taxation. Additionally, pursuant to Revenue and Taxation Code section 401.5, the Board is required to issue data to county assessors relating to costs of property and other information as, in the judgment of the Board, will promote uniformity in appraisal practices and assessed values in California.

The Board is currently involved in three studies to determine if valuation factors recommended in Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors* (AH 581), should be updated. The current studies involve (1) biopharmaceutical equipment and fixtures, (2) semiconductor manufacturing equipment, and (3) non-production computers. These studies were a result of BCP No. 6 (2006-2007) which provided two-year limited term funding for additional positions to conduct these studies.

In recent months, the Board has been requested to conduct valuation factor studies for additional categories of equipment. At its June 24, 2008 meeting, the Board directed staff to reallocate existing resources to conduct future valuation factor studies, and to develop procedures for these studies and to present the procedures at the August 2008 Property Tax Committee meeting for discussion. (Staff's proposed petitions procedures and valuation factor study guidelines are presented in Attachments A and B.)

The results of future valuation factor studies will be included in the annual publication of AH 581. AH 581 is published for county assessors to use as a guide in the mass appraisal of personal property and fixtures. Among other data, AH 581 contains several tables of equipment index, percent good, and valuation factors that aid in the mass appraisal of various types of personal property and fixtures.

Generally, the valuation of personal property is based on the acquisition cost of the property. The acquisition cost is applied to a price index (a price trending factor based on the year of acquisition) to provide an estimate of its reproduction cost new. The reproduction cost new is then applied to a percent good factor (complement of depreciation) to provide an estimate of the depreciated reproduction cost of the property (reproduction cost new less depreciation). The reproduction cost new less depreciation represents the taxable fair market value of the property. To illustrate the valuation process, an example is shown below:

YEAR OF ACQUISITION	COST	INDEX FACTOR	REPRODUCTION COST NEW	PERCENT GOOD	REPRODUCTION COST LESS NORMAL DEPRECIATION
2004	\$1,000	1.17	\$1,170	.73	\$853

The Board has been criticized for failure to recommend economic lives so that users will be able to determine which percent good factors in AH 581 to use to determine the taxable fair market value for the various categories of property/equipment. Until 1996, Board staff had internal guidelines (commonly referred to as Policy 10) for economic lives that were provided to county assessors as a guide for economic lives to use if a county assessor had insufficient information to develop local estimates of appropriate economic lives. The economic lives in Policy 10 were based on the knowledge and experience of the Board's auditor-appraisers, opinions of county assessors and their staffs, and

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information from various industry sources. In most cases, the economic lives were not based on actual studies of the average service lives of any of the listed groups of equipment.

In 1996, in essence, the Policy 10 recommended economic lives were withdrawn (Letter To Assessor 96/30). County assessors and assessment appeals boards were advised that the Policy 10 guidelines were not to be cited as an authority in assessment appeals hearings.

To fill the void created by the withdrawal of the Policy 10 recommended economic lives, the California Assessors' Association (CAA) developed recommended economic lives. These lives are updated annually and posted to the CAA's website for use by all county assessors. Board staff has not participated in the process to develop the CAA recommended economic lives.

In view of the increasing interest by industry that the Board become more involved in developing data for county assessors' use in valuing personal property/equipment, and the Board's direction to conduct studies to make the data contained in AH 581 as factual as possible, staff believes that the January 2009 revision of AH 581 should contain recommended economic lives. (Staff's proposed economic lives are presented in Attachment C.)

V. Alternative 1 - Staff Recommendation

Staff recommends that:

- (a) The petition procedures (Attachment A) and guidelines (Attachment B) for future property tax valuation factor studies be adopted by the Board; and
- (b) That the economic lives (Attachment C) for various equipment categories be included in future revisions of Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*.

A. Description of Alternative 1

- (a) The petition procedures (Attachment A) and guidelines (Attachment B) for future property tax valuation factor studies were developed to provide guidance to industry in identifying, gathering, and verifying data to submit to Board staff for the purpose of conducting a valuation study of their personal property/equipment. The procedures/guidelines will enable industry to make a determination of:
 - Whether they qualify for a study of their property/equipment;
 - How many members of their industry must be willing to participate in the study;
 - What type of data will be required for the study; and
 - How much verifiable data will be required for the study.

The petition procedures and guidelines encompass "lessons learned" from the recent property tax valuation factor studies conducted by Board staff.

- (b) The economic lives (Attachment C) for various equipment categories are primarily those developed by the CAA for use by county assessors in mass appraisal programs designed to derive the market value of personal property/equipment within a band of value that meets California property assessment appraisal standards. The CAA developed these economic lives when Board staff rescinded its former recommended lives (Policy 10).

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Subsequent to the adoption of the economic lives by the CAA, in January 2000, Property Tax staff conducted an in-depth analysis of the CAA recommended economic lives. Two publications were primarily used for this analysis: *Marshall Valuation Service* and *Internal Revenue Service Publication 946*. For comparison, the economic lives published in *Marshall Valuation Service* and *IRS Publication 946* were added to a spreadsheet that contained the CAA lives. Both publications contain fewer categories of equipment than the categories listed by the CAA. However, economic lives listed for industries included in *Marshall Valuation Service* and *IRS Publication 946* could be applied directly to similar business categories listed by the CAA. Additionally, the analysis of the CAA recommended economic lives included research on valuation tables (or studies of specific types of property) used by Arizona, Idaho, Oregon, Utah, and Washington.

The conclusion of Property Tax staff was that the economic lives recommended by the CAA were within or close to the range recommended by the publications reviewed.

Staff recommends that the economic lives (Attachment C) be included in the January 2009 revision of AH 581. These lives will represent a "starting point" since it is impossible for Board staff to conduct an in-depth economic lifeing study on every category of property/equipment. Thereafter, proposed changes to lives will be recommended to the Board during the annual adoption of AH 581 (usually in November). Changes to lives will be recommended by staff as a result of:

- Data as an outcome of a validated study conducted by Board staff, county staff, or industry.
- Data as an outcome of validated evidence presented at county assessment appeals boards by county staff or industry that results in one or more appeals boards making a decision regarding the economic life on a category of property/equipment contained in AH 581.

Staff will continue to work toward refining the recommended lives and will be receptive to receiving information from or meeting with industry or county representatives in that effort.

As is indicated throughout the text of AH 581, the data contained in the handbook are intended as a *guide* for county assessors in the mass appraisal of personal property/equipment. County assessors are required by law to determine the market value of property. If data obtained by a county assessor, whether through a study conducted by the assessor's staff or by information submitted to the county assessor by the taxpayer, indicates a conclusion other than that in AH 581, the county assessor should base his/her value conclusion on the pertinent, verifiable market data available. For further edification of users of AH 581, the following notation will be placed on each page of AH 581 that contains a table:

This table is intended for use in the mass appraisal of equipment and fixtures when determining market value for taxation purposes. However, relevant data pertinent to the assessment of a specific property should always be reviewed and considered.

B. Pros of Alternative 1

Adoption of Alternative 1 will ensure equal treatment of industries that petition Board staff for valuation studies of their property/equipment by applying the petition procedures and guidelines uniformly. Additionally, adoption of the recommended economic lives will (1) make AH 581 a complete guide for county assessors when valuing personal property/equipment; and (2) will help to ensure that taxpayers' properties are valued in a similar manner throughout California.

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C. Cons of Alternative 1

Only a portion of the economic lives recommended in Alternative 1 are the result of an in-depth economic living study. The remaining economic lives were developed from (1) auditor-appraiser knowledge, (2) information gathered by various counties when valuing property, and (3) the results of county assessment appeals hearings.

D. Statutory or Regulatory Change for Alternative 1

None

E. Operational Impact of Alternative 1

None

F. Administrative Impact of Alternative 1

1. Cost Impact

None

2. Revenue Impact

It is anticipated that there would be little if any revenue impact if Alternative 1 (Attachment C) is adopted since it would result in validating procedures currently recommended by the California Assessors' Association and used by most, if not all, county assessors.

G. Taxpayer/Customer Impact of Alternative 1

It is anticipated that there would be little if any impact to taxpayers if Alternative 1 (Attachment C) is adopted since it would result in validating procedures currently recommended by the California Assessors' Association and used by most, if not all, county assessors.

H. Critical Time Frames of Alternative 1

The economic lives discussed in Alternative 1 (Attachment C) would be published in AH 581. AH 581 is adopted by the Board annually, generally at its November Board meeting. In order for Board staff to incorporate revisions to AH 581 in the event the Board adopts Alternative 1, it is desirable that a decision be made at the August 2008 Board meeting.

Preparer/Reviewer Information

Prepared by: Property and Special Taxes Department; County-Assessed Properties Division

Current as of: August 27, 2008

Please complete and return this petition to Board of Equalization, County-Assessed Properties Division, Property Tax Valuation Studies, MIC:64, PO Box 942879, Sacramento, CA 94279-0064



STATE OF CALIFORNIA
 BOARD OF EQUALIZATION
 www.boe.ca.gov

PETITION TO CONDUCT PROPERTY TAX VALUATION STUDY

1. PETITIONER INFORMATION

NAME OF PETITIONING ORGANIZATION _____

MAILING ADDRESS (number and street) _____

CITY, STATE, ZIP CODE _____

CONTACT PERSON _____	TELEPHONE () _____	E-MAIL ADDRESS _____
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2. STUDY TYPE BEING REQUESTED INDUSTRY GROUP ASSET SPECIFIC

3. INDUSTRY REPRESENTATIVE (2 INDIVIDUALS REQUIRED PER STUDY)

a. As the Petitioner, do you also wish to act as an industry representative?

YES NO

b. Do you wish to nominate an industry representative?

YES NO

If you wish to act as an industry representative or nominate someone, provide in Attachment A contact information and a detailed discussion of why you or your nominee are best qualified to represent the industry for this study. Provide a list of companies that agree to be represented by you and your nominee; include contact names, telephone numbers, e-mail addresses, and mailing addresses for all companies.

c. Do you wish Board staff to appoint an industry representative?

YES NO

4. IDENTIFY THE SCOPE OF THE STUDY

PROPOSED

5. PROVIDE A LIST OF APPEALS, BY COUNTY, ON SCHEDULE A OF THIS PETITION.

6. ATTACHMENTS

CHECKLIST OF REQUIRED ATTACHMENTS

ATTACHMENT A: CONTACT INFORMATION AND QUALIFICATIONS FOR REPRESENTATIVES.

ATTACHMENT B: A NARRATIVE DESCRIBING THE EVOLUTION OF THE SUBJECT PROPERTY.

ATTACHMENT C: A DISCUSSION OF OBSOLESCENCE ISSUES.

ATTACHMENT D: A DISCUSSION OF THE DATA YOU PLAN TO SUBMIT FOR THE STUDY, AND HOW THIS DATA WILL ALLOW BOARD STAFF TO DEVELOP VALUATION FACTORS. INCLUDE SOURCES (GENERAL DESCRIPTION, E.G., RESELLERS AND MANUFACTURERS) AND THE TYPE OF DATA THE SOURCES WILL PROVIDE.

SIGNATURE OF PETITIONER ▶ _____	DATE SUBMITTED _____
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SCHEDULE A: LIST OF APPEALS BY COUNTY

PROPERTY OWNER'S NAME

COUNTY WHERE APPEALED LIEN DATE APPEAL NUMBER

ORIGINAL ASSESSED VALUE REQUESTED VALUE ON APPEAL BOARD-ADOPTED VALUE

BRIEF DESCRIPTION OF ISSUES

PROPERTY OWNER'S NAME

COUNTY WHERE APPEALED LIEN DATE APPEAL NUMBER

ORIGINAL ASSESSED VALUE REQUESTED VALUE ON APPEAL BOARD-ADOPTED VALUE

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ORIGINAL ASSESSED VALUE REQUESTED VALUE ON APPEAL BOARD-ADOPTED VALUE

BRIEF DESCRIPTION OF ISSUES

PROPOSED

INSTRUCTIONS FOR COMPLETING PETITION

Interested parties must demonstrate the need for Board staff to conduct a valuation study, as well as be persuasive regarding the likelihood of a successful outcome. The petitioning process is meant to be a period of discovery and should reveal the following:

- Need for the study.
- Likelihood of a successful outcome to the study.
- Subject property/equipment of the study.
- Information regarding past county assessment appeals, the historical evolution of the subject property/equipment, and any obsolescence issues.
- Industry members.
- Industry representative qualifications.

Box 2: There are generally two types of valuation studies for ad valorem personal property tax purposes. The process and the form for petitioning either type of study are the same.

1. **Industry Group:** These studies involve a group of assets that are deployed within a particular industry. Biopharmaceutical equipment and semiconductor manufacturing equipment are examples of industry group types.
2. **Asset Specific:** These studies have a very narrow scope and involve assets that are typically owned by a diverse set of property owners and can be found in many operational settings. Computers and copiers are examples of asset specific types.

Box 3: Should your petition be approved, Board staff will require that two persons serve as industry representatives for the study. The two industry representatives must come from different companies/organizations. These representatives should have the full support of companies within the industry and should:

- Have an appraisal background;
- Have a strong command of the appraisal issues involved in the scope of the study; and
- Independently be able to obtain market data and accounting records from various sources in a timely manner.

Box 3a: If as the petitioner you wish to serve as an industry representative for the study, check "yes" in Box 3a. Provide your contact information and qualifications in Attachment A (see below).

Box 3b: Whether you act as an industry representative or not, you may nominate one or two representatives for the study. Indicate "yes" in Box 3b if you are making a nomination. Provide the contact information for the nominee(s) and qualifications in Attachment A (see below).

Box 3c: If you prefer that Board staff appoint one or both industry representatives for the study, indicate "yes" in Box 3c.

Box 4: The scope should define the assets that will be analyzed during the study. The data needed for this study will reflect the defined assets and serve as the basis for computing the valuation factors. Upon review of the petition or at a time after commencement of a study, Board staff in conjunction with interested parties may find it necessary to modify the scope of the study.

Box 5: Provide county assessment appeals information by completing Schedule A. If an appeal was concluded by a stipulation agreement, include the stipulation number in the issues section. If an appeal was withdrawn and a settlement agreement was reached with the assessor, include that information in the issues section.

Attachment A: If you wish to act as industry representative or if you are nominating one or both industry representatives, provide contact information and a list of the qualifications of the recommended industry representative(s). This should be a detailed and convincing discussion that outlines education and industry experience. **For studies that involve industry group type studies**, Attachment A should include a list of companies that have agreed to be represented by you and/or your nominee(s). This list is important. The industry representatives should represent a good majority of the industry and not just a segment of companies within an industry. In reviewing your petition, Board staff will survey the industry. Your inability to demonstrate the support of a good majority of the industry will complicate your petition and may lead to a denial of your petition. Also companies that agree to be represented by you and/or your nominee(s) should understand that they will be required to provide accounting records and source documents. Failure of the companies within the industry to provide accounting records and source documents in a timely manner will result in a termination of the study.

Attachment B: Provide a historical narrative of the evolution of the property/equipment described in the scope of the study. This narrative should be a chronology of the development and technological evolution of the subject property/equipment as it pertains to valuation.

Attachment C: In detail, provide solid evidence of extraordinary obsolescence and how this has impacted the subject property/equipment valuation over a period of time. While observations are useful to this discussion, you should also provide measurable examples. For example, if you state that the subject property/equipment has experienced rapid technological advances and that conditions in manufacturing the subject property/equipment have improved significantly over time to the point that the price of a replacement is decreasing, provide a list of models, their replacements, and the historical discounted price new (street price) over a period of time. While you should provide a comprehensive list of this type of data if your petition is approved, providing a sample in Attachment C will strengthen your petition.

Attachment D: Provide a list of the type of data you plan to submit, and a list of sources for the data. You should provide a detailed discussion on how this data will allow Board staff to develop a valuation factor. If you are requesting that the Board staff conduct a living study, the companies you listed in Attachment A should be prepared to submit up to seven years of accounting records. For **asset specific type studies**, you will be required to determine the market share of the manufacturers of the property/equipment involved in your study. Include the source of market share information in Attachment D.

See Property Tax Valuation Study Procedures for further information regarding property tax valuation studies.

PROPERTY TAX VALUATION STUDY PROCEDURES

OVERVIEW

Section 401.5 of the Revenue and Taxation Code requires that the Board issue to county assessors data relating to costs of property and other information to promote uniformity in appraisal practices and in assessed values throughout the state. In an effort to comply with section 401.5, the Board annually publishes Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors* (AH 581). Currently, AH 581 contains tables of valuation factors for non-production computer equipment, semiconductor manufacturing equipment, and biopharmaceutical industry equipment and fixtures. In June 2008, the Board directed staff to develop further valuation factors for AH 581 by conducting valuation studies for various industries that petition Board staff for a study of their industry property/equipment.

The purpose of these procedures is to provide guidelines to interested parties in identifying, gathering, and verifying data to submit to Board staff for the purpose of conducting a valuation study of their tangible personal property/equipment. The goal of interested parties is to provide enough quality data to enable Board staff to develop valuation factors that the local county assessors can apply to the historical cost of property/equipment in determining the fair market value for property tax purposes. Depending on the type and scope of a study, the data and source participants will vary.

Generally, there are two types of valuation studies for ad valorem personal property tax purposes: *industry group* and *assets specific*. *Industry group* studies involve a group of assets that are deployed within a particular industry. Biopharmaceutical equipment and semiconductor manufacturing equipment are examples of industry group types. *Asset specific* studies have a very narrow scope and involve assets that are typically owned by a diverse set of property owners and can be found in many operational settings. Computers and copiers are examples of asset specific types.

The findings of a study will be determined by the analysis of market data and will not be influenced by opinions of either industry or counties. Once a study has begun and sufficient quality market data has been received by Board staff, the study will be completed, even in the event that the original petitioner decides to withdraw their petition.

MARKET DATA

The successful outcome of a study will be completely dependent on the availability of good market data. The industry will be expected to provide verifiable market data in a sufficient quantity to be statistically representative of the property/equipment within the industry.

Market data submitted must include the following fields (see Table 1 below):

- Make
- Model name
- Model number
- Description
- Configuration

- Serial number
- Manufacture date, ship date, or acquisition date
- Price sold to end user and date of sale
- Discount price new

TABLE 1

MAKE	MODEL NAME	MODEL NUMBER	DESCRIPTION	CONFIGURATION	SERIAL NUMBER	DISCOUNT PRICE NEW DATE ¹	DISCOUNT PRICE NEW	DATE SOLD TO END USER ²	PRICE SOLD TO END USER
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¹ The decision as to what date to provide for the purpose of establishing vintage age is driven by the available data and the source of the data. If, for example, you are receiving price sold to the end user along with a full description of the asset from an industry reseller and you have received cooperation from the manufacturer, the manufacturer can provide ship dates. Another example is where you are able to obtain the used sales prices to items listed on a fixed asset listing (FAL). (When using this method, take care to avoid items on a FAL that were purchase used.) In this case, you will provide the acquisition date listed on the FAL.

² Enter the date of the related subsequent market transaction that corresponds to the price sold to the end user. Market data related to price sold to end user should be limited to a 12-month period. When your petition is approved, Board staff will provide you with the 12-month range.

If the reseller incurred refurbishing costs in readying equipment for sale to the end user, you should include a field for refurbishing costs and provide the refurbishing costs for the related market transactions.

Discount price new and price sold to end user should contain the same components (for example, installation cost, sales tax, and transportation cost). Ideally, discount price new and price sold to end user should only contain the price of the property/equipment.

CONFIDENTIALITY OF DATA

Government Code section 15619 prohibits divulgence of information obtained by Board of Equalization employees. Section 15619 provides, in part:

Any member or ex-member of the State Board of Equalization, or any agent employed by it, or the Controller, or ex-Controller, or any person employed by him or her, or any person who has at any time obtained such knowledge from any of the foregoing officers or persons shall not divulge or make known in any manner not provided by law, any of the following items of information concerning the business affairs of companies reporting to the board:

(a) Any information concerning the business affairs of any company that is gained during an examination of its books and accounts or in any other manner, and is not required by law to be reported to the State Board of Equalization.

(b) Any information, other than the assessment and the amount of taxes levied, obtained by the State Board of Equalization in accordance with law from any company other than one concerning which that information is required by law to be made public.

(c) Any particular item of information relating to the disposition of its earnings contained in the report of a quasi-public corporation that the corporation, by written communication specifying the items and presented at the time when it files its report, requests shall be treated as confidential.

Accordingly, all data obtained from industry in the course of a valuation study will be held confidential and will not be made available to competitors or counties. When Board staff provides results of their analysis of data during and at the conclusion of a study, the data will be masked and/or arrayed in a manner that will preclude identification of the source of any specific data.

INDUSTRY GROUP STUDIES

Market Data for Group Studies

See the section *Market Data* above for an expanded discussion and required formatting parameters for market data. For an industry group type study, provide the most current FAL for the companies you listed in your petition (form BOE-401). The FAL will permit you and Board staff to identify classes of assets and to determine the distribution of investments over time. Only through this analysis can Board staff identify the classes, distribution, and volume of market data needed for your study. You should submit this item soon after your petition has been approved. The FAL should include the following fields:

- General ledger account number
- Asset number
- Description
- Serial number
- Location code
- Acquisition date
- Acquisition cost

Additionally, you will be required to provide:

- Descriptions of each general ledger account
- A schedule describing the location codes

The FAL should correspond to the general ledger. These accounting records will be subject to audit by Board staff. Full cooperation of the industry group is a condition of your study's success.

Once Board staff has analyzed your accounting records, you will be notified of the different asset classes and the amount of market data you must obtain. Board staff will provide you with specific information regarding the market data needed, which should eliminate the collection of unnecessary or redundant data.

Accounting Records for Economic Lifting Study

If you are requesting that Board staff conduct an economic lifting study, you should be prepared to provide FAL's for the most current seven years for each of the companies listed in your petition. Each of the FAL's should contain:

- General ledger account number

- Asset number
- Description
- Serial number
- Location code
- Acquisition date
- Acquisition cost

Additionally, you will be required to provide:

- Descriptions of each general ledger account
- A schedule describing the location codes
- End of year (whether fiscal or calendar) general ledger balances that correspond to the FAL

ASSET SPECIFIC STUDIES

Market Data for Asset Specific Studies

See the section *Market Data* above for an expanded discussion and required formatting parameters for market data. Market data for asset specific type studies should reflect the market (according to market share). Therefore, immediately after your petition is approved, the industry representative should submit to Board staff a schedule of market share according to manufacturer for each year dating back seven years. Sources of data should be representative of the users of the property/equipment in California.

Once Board staff has analyzed the market share information, you will be notified of the amount of market data that must be submitted to Board staff.

Accounting Records for Economic Lifting Study

If you are requesting that Board staff conduct an economic lifting study, you should be prepared to provide FAL's for the most current seven years from a wide variety of companies. Each of the FAL's should contain:

- General ledger account number
- Asset number
- Description
- Serial number
- Location code
- Acquisition date
- Acquisition cost

Additionally, you will be required to provide:

- Descriptions of each general ledger account
- A schedule describing the location codes
- End of year (whether fiscal or calendar) general ledger balances that correspond to the FAL

VERIFICATION OF DATA

Accounting Records

Prior to submitting a FAL, industry should verify that the FAL corresponds to the general ledger amounts. After Board staff reviews the accounting records submitted, Board staff may elect to audit the accounting records. The industry participants should be fully aware of this requirement and be prepared to cooperate in a timely manner. The lack of cooperation or delays in responding to Board staff requests can negatively impact the process and ultimately may lead to the termination of the study.

Market Data

Industry should be able to verify each field in the market data by way of a source document, such as an invoice. Price sold to the end user can be obtained from industry resellers and from companies within the industry that have sold directly to an end user. In each case, the invoice of the transaction should be available for inspection by Board staff. Discount price new may prove to be the most difficult to obtain. If, for example, you are able to match used price sold to the end user to discount price new reflected on a FAL, the invoice for that item listed on the FAL should be available. Make sure that the descriptions of your matches are of such detail to reasonably conclude that both items are the same make, model, and configuration. Matching configurations is the most difficult step of this task depending upon the sophistication of the equipment. When obtaining data on the price to the end user, ensure that you obtain all of the fields outlined in Table 1 above for each line item. Failure to secure the necessary fields may render your used price to the end user invalid.

TIMELINE FOR SUBMITTING DATA

Once a petition has been accepted, the industry will be provided with a timeline for their study which will include specific times to submit accounting records and, after analysis of the accounting records, when market data must be submitted. Generally, a maximum of six months will be allowed for industry to provide sufficient, quality data in order for the study to move forward. If industry does not produce the required data timely, the study will be terminated.

ECONOMIC LIVES AND VALUATION TABLE

CATEGORY	ECONOMIC LIFE (YEARS)	INDEX FACTOR TABLE	PERCENT GOOD TABLE
Aerospace Industry—Airframe Manufacturing Machinery	12	2	4
Agriculture—Farm	15	3	4
Agriculture—Mobile	See Tables	3	6
Amusement (e.g., Miniature Golf)	10	1	4
Amusement—Theme Park	15	1	4
Apartment Equipment and Furniture	8	1	4
Apparel Manufacturing	12	2	4
ATM—Composite	12	1	4
ATM—Only	10	1	4
Automotive Repair and Service	10	1	4
Bakery—Small	15	1	4
Bakery—Large	15	1	4
*Bank Fixture—Composite	15	1	4
*Bank Fixture—Category 1, Counter Line, etc.	15	1	4
*Bank Fixture—Category 2, Sign, Camera, etc.	10	1	4
*Bank Fixture—Category 3, Carpet, Drapes, etc.	8	1	4
*Bank Fixture—Category 5, Vault Door, Night Deposit	40	1	4
*Bank Fixture—Category 6, Drive-Up Window, etc.	20	1	4
Barber Shop	12	1	4
Batch Plant—Concrete and Asphalt	20	2	4
Beauty Salon	12	1	4
Billiard Room	15	1	4
Blue Printing and Map Making	12	2	4
Book Binder	15	2	4
Bottling Plant—Other than Brewery	15	2	4
Bowling Alley	15	1	4
Brewery	15	2	4
Brick, Sewer Pipe, Terra Cotta, and Tile Manufacturing	17	2	4
Cannery	17	2	4
Car Wash	12	1	4
Cargo Container	20	1	4
Cement Manufacturing	20	2	4
Chemicals and Allied Product Manufacturing—Other than Refineries	15	2	4
Cocktail Lounge, Bar, and Saloon	12	1	4
Cogeneration Power Plant	20	2	4
Construction—Mobile	See Tables	3	5
Construction—Demolition Contractor	12	3	4
Cotton Gin	15	3	4
Dairy	15	3	4

* Category descriptions are from BOE-571 alternate Schedule A. If no property detail is provided, use the composite.

CATEGORY	ECONOMIC LIFE (YEARS)	INDEX FACTOR TABLE	PERCENT GOOD TABLE
Dental Laboratory	12	1	4
Dentist	12	1	4
Dry Cleaner	15	1	4
Electronic Equipment Manufacturing	10	2	4
Fab Metal Product Manufacturing Supplier	15	1	4
Facsimile	6	Untrended	4
Food Processing	15	2	4
Forklift	10	1	4
Furniture Manufacturing and Wood Working	15	2	4
Gas Cylinder—Other than Propane	20	1	4
Gas Distribution—Industrial—Other than Gas Cylinder	15	1	4
Glass and Glass Product Manufacturing	15	2	4
Glass Bottle Forming Equipment	8	2	4
Golf Cart	6	1	4
Grocery Store—Convenience—Other than Gasoline Service Property	12	1	4
Grocery Store—Supermarket—Other than Gasoline Service Property	12	1	4
Health Club and Athletic Club	10	1	4
Hospital	12	1	4
Hotel and Motel Furnishings	8	1	4
Ice Plant	15	2	4
Janitorial and Maintenance Service	8	1	4
Laboratory Equipment	10	1	4
Laundry—Coin Operated	10	1	4
Laundry—Commercial	15	1	4
Machine Shop	12	1	4
Mailing and Shipping Service—Large	15	1	4
Medical Office and Clinic	12	1	4
Mortuary	15	1	4
Newspaper Publisher	15	2	4
Office Furniture and Equipment	12	1	4
Pager (One-Way) and Mobile Telephone	4	Untrended	4
Paper Product Manufacturing	15	2	4
Photographic Laboratory—Commercial	10	1	4
Photographic Laboratory—One Hour	8	1	4
Plastic Manufacturing	15	2	4
Point-of-Sale	8	Untrended	4
Postage Meter	10	1	4
Printing Shop	12	2	4
Propane Tank	30	1	4
Recycler	15	1	4
Restaurant—Fast Food	12	1	4
Restaurant—Other than Fast Food	12	1	4
Retail Store—Other than Warehouse	15	1	4

CATEGORY	ECONOMIC LIFE (YEARS)	INDEX FACTOR TABLE	PERCENT GOOD TABLE
Retail Store—Warehouse	15	1	4
Sand, Dirt, and Gravel Supplier	15	1	4
Satellite Dish—Residential	6	Untrended	4
School	12	1	4
Security and Surveillance	10	1	4
Service Station—Other than Underground Tank	12	1	4
Service Station—Underground Tank	25	1	4
Sheet Metal Manufacturing	15	2	4
Ship and Boat Builder	15	2	4
Shopping Cart	5	1	4
Sign	12	1	4
Ski Lift	15	1	4
Storage Bin—Trash	12	1	4
Sugar and Sugar Product Manufacturing	20	2	4
Telephone and Communication	10	1	4
Test Equipment	8	1	4
Textile Mill Product Manufacturing	15	2	4
Theater	15	1	4
Tools and Tooling	5	1	4
Vending Equipment	8	1	4
Video Game	4	Untrended	4
Warehouse Equipment	15	1	4
Wind Machine—Agricultural	25	3	4
Winery—Nonagricultural	15	2	4
Winery—Agricultural, Farm	15	3	4
Winery—Agricultural, Mobile	See Tables	3	6
Winery Tank—Stainless Steel	40	2	4